



DEPARTMENT OF MENTAL HEALTH POLICY/PROCEDURE

SUBJECT INVENTORY CONTROL - PORTABLE ITEMS OF EQUIPMENT	POLICY NO. 903.02	EFFECTIVE DATE 10/01/1989	PAGE 1 of 6
APPROVED BY: Original signed by: ROBERTO QUIROZ Director	SUPERSEDES 800.2 10/01/1989	ORIGINAL ISSUE DATE 08/15/1988	DISTRIBUTION LEVEL(S) 1

PURPOSE

- 1.1 To provide guidelines for the annual physical inventory in order to: (1) confirm the validity and integrity of the perpetual inventory records (Departmental Master Equipment List), (2) provide a vehicle for reconciliation of Department of Mental Health (DMH) records and County Auditor-Controller records, and (3) to identify system strengths and weaknesses and implement corrective measures accordingly.

POLICY

- 2.1 The DMH shall conduct a systemwide inventory of its portable items of equipment at least once annually. On an ongoing basis, the issuance and controls over items of portable equipment shall be managed via a system which provides ready identification and location of such assets as well as ease of retrieval, redistribution, salvage and/or other disposition as may be necessary. Issuance and controls shall be executed in full compliance with County of Los Angeles Auditor-Controller Fiscal Manual, Section 6.4.1.
- 2.2 The Administrative Services Bureau (ASB), Inventory Control Unit, shall have the primary responsibility for the DMH centralized, computerized, perpetual inventory and for the controls over portable assets. The Inventory Control Unit functions will be supported by Facility/Division Equipment Control Liaisons at each Facility/Division (County-operated and Contract provider). Staff responsible for the purchasing and/or receiving operations at either location should not also be involved in the process of inventory management of assets.

DEFINITION

- 3.1 Portable items of equipment are defined as those items which can be easily carried or moved, especially by hand, and include all items fitting the description of portable equipment. (See Attachment I for list of commonly used "portable" items, Auditor-Controller Fiscal Manual, Section 6.4.3.)



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PROCEDURE

- 4.1 The following shall establish the procedure governing the inventory process and controls of portable items of equipment.
- 4.2 Annual Inventory and Supporting Documentation
 - 4.2.1 ASB, Inventory Control Unit, shall conduct an annual inventory of all equipment which falls within the guidelines stated above and shall ensure that (1) the Departmental Master Equipment List includes a description of the item; equipment number; make/model (where appropriate); County of Mental Health identification (property tag) number (and/or manufacturer's serial number); equipment location/fund organization code for all items inventoried; and (2) that items listed but not found, and/or items not listed but found, are investigated appropriately to validate the Departmental Master Equipment List reconciliation process (Attachment II).
 - 4.2.2 For identification purposes, all portable items of equipment shall be tagged with an equipment number series, with the exception of typewriters, calculators, and dictation machines, which are identified by manufacturers' serial numbers.
- 4.3 Maintenance of the Departmental Equipment Master List
 - 4.3.1 All discrepancies identified during annual inventories shall be recorded on the Non-Fixed Assets Equipment Inventory form (MH 410, Attachment II) which serves as the source document for reconciliation of the Departmental Master Equipment List.
 - 4.3.2 The Head, Inventory Control Unit, shall be responsible for ensuring that discrepancies between the physical inventory and the computerized Departmental Master Equipment List are resolved promptly and that data updates are completed timely and accurately.
 - 4.3.3 All records, logs, and other documents shall be retained for review by the Auditor-Controller during regularly scheduled audits or specially requested reviews.



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4.4 Distribution of Computerized Master and Secondary Equipment Lists

- 4.4.1 The Chief, ASB, is the custodian of the Departmental Master Equipment List. Secondary printouts shall be produced, sorted by individual Division/Facility fund organization code, and distributed to respective Equipment Control Liaisons at each Division/Facility.
- 4.4.2 The Secondary Lists (sorted by specific location code numbers) shall include equipment description, County or Mental Health identification (property tag) number (and/or manufacturer's serial number), model (where appropriate), equipment number, room number and employee assignment - for items assigned to a single facility/division.
- 4.4.3 The Secondary Lists shall be reviewed by each Division/Facility Liaison for accuracy and completeness with discrepancies reported to the Head, Inventory Control Unit, within three (3) weeks after the list is promulgated.
- 4.4.4 Upon completion of review, the Liaisons shall sign the Portable Items of Equipment, Inventory Release form (Attachment III) certifying verified location of and responsibility for all portable items of equipment assigned to his/her division or facility.
- 4.4.5 It becomes the duty of the authorized Liaison to monitor and safeguard all equipment in his/her charge. Each Liaison will maintain the Secondary List in a manner consistent with controls established for use by ASB.
- 4.4.6 Control within a division/facility shall provide that:
 - 4.4.6.1 Overall control is assigned to one specified individual (Liaison) within a division or facility. The Equipment Liaison's routine assignments include no purchasing or receiving of equipment responsibilities. Accountability for each item is assigned to one employee, whether or not said item is used by more than one staff person; i.e., personal computers. If applicable, a Report of Equipment Loss form (Attachment IV) must be submitted.



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- 4.4.6.2 All equipment items are secured at the end of each work day at an authorized location which ensures safety and accountability of items.
- 4.4.6.3 All unassigned portable items or equipment are maintained in a secured area.
- 4.4.6.4 A “sign-out log” is maintained at each location to control usage of portable items that are not assigned to individuals on a permanent basis.
- 4.4.6.5 The division or facility notifies ASB in writing at least 5 working days prior to reassignment of equipment within the division/facility. Use the inventory form in Attachment II.
- 4.4.6.6 The division or facility notifies the ASB within five (5) days prior to trading or transferring any equipment within the division/facility. Use the inventory form in Attachment II.
- 4.4.6.7 Upon discovery that an item is missing and/or suspicion of theft is at issue, the steps outlined in Section 4.6 are carried out immediately.
- 4.4.6.8 A revised printout of authorized changes in data listings shall be received from the Inventory Control Unit within 90 days after submission of change notice and follow-up is conducted as needed.

4.5 “Loaner” Items

- 4.5.1 “Loaner” items refer to equipment purchased for short-term, periodic use at any of the various DMH locations on a daily basis and include equipment such as film projectors, cameras, dictating machines, etc. The use of such items is controlled centrally by ASB. The Inventory Control Unit maintains a Sign-Out Log, Miscellaneous Equipment on Loan form (Attachment V), and an Equipment Loan Transfer and Receipt form (Attachment IV) to record movement and location of “loaner” items at all times. All “loaner” equipment



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must be returned the same day unless other arrangements have been made.

4.6 Missing/Suspected Stolen Items

- 4.6.1 It is the responsibility of the Facility/Division Equipment Control Liaison to telephone the ASB Chief immediately when items are discovered missing and/or suspicion of theft is at issue. A written report to ASB must follow as directed by the Chief, ASB.
- 4.6.2 The Head, Inventory Control Unit, shall also report such incidents discovered at times of annual physical inventory.
- 4.6.3 The ASB Chief shall ensure that any suspected employee theft is promptly reported to the Head, DMH Audit Compliance Team, who will be responsible to notify the Auditor-Controller's office. No further action will be taken until directed by the Auditor-Controller's office.
- 4.6.4 The ASB Chief shall also ensure that an Annual Report of Loss Equipment is filed with the Auditor-Controller and the Board of Supervisors.
- 4.6.5 Employees found to be negligent or directly responsible for equipment loss may be subject to disciplinary action.

4.7 Disposition of Salvage Items

All items determined to be unserviceable or no longer needed by a facility/division shall be referred to the Inventory Control Unit for evaluation for salvage or reassignment to other facilities/divisions. Upon approval of the ASB Chief, the Head, Inventory Control Unit, will arrange transportation for final disposition of item(s) referred for evaluation and will at the same time initiate appropriate action to update the Equipment Master Control List.

AUTHORITY

Los Angeles County Auditor-Controller Fiscal Manual



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ATTACHMENTS

Attachment I	Common Types of Portable Items of Equipment list
Attachment II	Non-Fixed Assets Equipment Inventory form
Attachment III	Portable Items of Equipment Inventory Release
Attachment IV	Report of Equipment Loss form
Attachment V	Sign-Out Log Miscellaneous Equipment on Loan
Attachment VI	Equipment Loan Transfer and Receipt form